

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

LARRY S. JONES
TX-1322720-G

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DOCKETED COMPLAINT NO.
14-149 & 15-222

AGREED FINAL ORDER

On the 20 day of November, 2015, the Texas Appraiser Licensing and Certification Board, (the "Board"), considered the matter of the certification of Larry S. Jones (the "Respondent").

In order to conclude this matter, Respondent neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein and further agrees to the disciplinary action set out in this Agreed Final Order (the "Agreed Final Order"). The Board makes the following findings of fact and conclusions of law and enters this Agreed Final Order in accordance with TEX. OCC. CODE § 1103.458.

FINDINGS OF FACT

1. Respondent is a Texas state certified general real estate appraiser who holds certification number TX-1322720-G and was certified by the Board during all times material to the above-noted complaint.
2. Respondent appraised residential real property (modular home) located at 6701 County Road 57, Midland, Texas (the "Property"), on or about May 24th, 2013.
3. Thereafter, the complaint, numbered 14-149, was filed with the Board by a financial institution, on or about February 21st, 2014. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
4. Complaint number 15-222 was filed by the Board on or about April 24, 2015 based upon documentation submitted to the Board in conjunction with an experience audit being conducted on work submitted by Respondent's appraiser trainee (Dedra Hardy) as part of her application for licensure. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
5. The Board, in accordance with the mandate of TEX. GOV'T CODE ANN. CHPT. 2001, the Administrative Procedure Act (the "APA"), and the Act, notified Respondent of the nature of the accusations involved, on or about March 7th, 2014 and April

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24th, 2015, respectively. Respondent was afforded an opportunity to respond to the accusations in each complaint and was also requested to provide certain documentation to the Board. Thereafter, the Respondent responded with documentation, on or about April 8th, 2014 and July 13th, 2015, respectively.

6. As a result of the Board's investigation into complaint 14-149, Respondent violated TEX. OCC. CODE § 1103.405, 22 TEX. ADMIN. CODE §§ 153.20(a)(6) and 155.1(a) by the following acts or omissions which did not conform to USPAP in effect at the time of the appraisal of the Property:
 - a) USPAP Record Keeping Rule- Respondent failed to provide the data in the work file to support appraiser's opinions and conclusions, and to show compliance with USPAP;
 - b) USPAP Standards 1-2 (c) and 2-2(b)(v) – Respondent failed to address exposure time as a component of the definition of value and did not develop an opinion of reasonable exposure time linked to the value opinion;
 - c) USPAP Standard 1-2(f)-(g), 2-1(c), and 2-2(b)(x) - Respondent failed to notify intended users that the extraordinary assumptions might have affected assignment results;
 - d) USPAP Standard 1-2(e)(i) and 2-2(b)(iii) – Respondent failed to identify the characteristics of the Property relevant for value definition and intended use. Respondent also failed to document in the report or in the work file what materials would be used to construct the proposed improvements;
 - e) USPAP Standards 1-4(b)(ii) and 2-2(b)(viii); 1-1(a) – Respondent failed to provide his supporting rationale for his site value determinations and explain how he reached his conclusions. Respondent did not employ recognized methods and techniques in his cost approach;
 - f) USPAP Standard 1-4(a) and 2-2(b)(viii); 1-1(a) – Respondent failed to collect, verify, analyze and reconcile comparable sales data adequately and employ recognized methods and techniques in the sales comparison approach;
 - g) USPAP Standards 1-5(b) and 2-2(b)(viii) – Respondent failed to analyze a prior sale of the Property that occurred 1 month prior to the effective date of his appraisal which he was aware of;
 - h) USPAP Standards 1-2(e) and 2-2(a)(viii) – Respondent failed to analyze the effect on value of the assemblage of the lot and the modular home; and,
 - i) USPAP Standard 1-1(b), 1-1(c) and 2-1(a) – Respondent rendered appraisal services in a careless and negligent manner. Respondent committed substantial errors of commission as detailed above. In addition, he misrepresented to the intended users of the report that he was a member of the Appraisal Institute when he was not. As a result, Respondent's appraisal report was misleading.

7. Respondent made material misrepresentations and omissions of material fact with respect to the appraisal of the Property as detailed above.
8. As a result of the Board's investigation into complaint 15-222, Respondent made material misrepresentations and submitted false documents to the Board in conjunction with an experience audit being conducted on work submitted by his appraiser trainee (Dedra Hardy) as part of her application for licensure. These statements and documents relate to the content and nature of the appraisal reports Ms. Hardy claimed credit for on her experience log, some of which were submitted to Board staff for audit. These appraisal assignments include: 6701 E. County Road 57, Midland, Texas; 5712 104th Street, Lubbock, Texas, and 5718 67th Street, Lubbock, Texas.
9. In order to reach an expeditious resolution of this matter and avoid the time and expense of litigation, the parties enter into this Agreed Final Order in accordance with TEX. OCC. CODE § 1103.458.

CONCLUSIONS OF LAW

1. The Board has jurisdiction over this matter pursuant to the Act.
2. Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).
3. Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(12) by making material misrepresentations and material omissions of material fact.
4. Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(14) by attempting to procure a license by making false, misleading or fraudulent representations to the Board.
5. The parties are authorized to resolve their dispute by means of a consent order in accordance with TEX. OCC. CODE § 1103.458.

ORDER

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that Respondent's Texas state certification (TX-1322720-G) is hereby revoked for eighteen (18) months, with this revocation being fully probated under the following terms and conditions:

1. **EDUCATION.** On or before May 17, 2016, Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. All classes required by this Agreed Final Order must be classes approved by the Board. Unless otherwise noted below, all classes must require in-class attendance. If the class requires an exam, Respondent must receive a passing grade on the exam. None of the required class hours will count

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toward Respondent's continuing education requirements for licensure. Respondent is solely responsible for locating and scheduling classes to timely satisfy this Agreed Final Order and is urged to do so well in advance of any compliance deadline to ensure adequate time for completion of the course in the event of course cancellation or rescheduling by the course provider.

- a. A minimum 15 classroom hour course in USPAP;
 - b. A minimum 4 classroom hour course covering the supervisory appraiser / trainee relationship;
2. **MENTORSHIP.** On or before March 31, 2016, Respondent shall complete seven (7) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. Respondent shall submit a certification of completion signed by the approved certified USPAP instructor and a signed copy of the Guidelines for Texas Appraiser Licensing and Certification Board Mentors and Mentees on or before the due date listed for each mentorship requirement. Respondent is solely responsible for locating and scheduling an approved mentor to timely satisfy this Agreed Final Order and is urged to do so well in advance of any compliance deadline to ensure adequate time for completion.
 - a. Three (3) hours in the sales comparison approach;
 - b. Two (2) hours in prior sales history analysis and reporting; and,
 - c. Two (2) hours on report writing.
3. **ADMINISTRATIVE PENALTY.** Respondent shall pay to the Board an administrative penalty of Five Thousand Dollars (\$5,000.00) via (2) two installment payments by cashier's check or money order. Payments shall timely be delivered to the Board based on the following payment schedule:
 - a. \$500.00 payable on or before December 10, 2015; and,
 - b. \$4,500.00 payable on or before February 1, 2016.
4. **TRAINEES.** Respondent shall not supervise any appraiser trainees for twelve (12) months, from November 21, 2015 through November 20, 2016.
5. Respondent shall fully and timely comply with all of the provisions of this Agreed Final Order; and,
6. Respondent shall comply with all provisions of the Act, the Rules of the Board, and USPAP in the future or be subjected to further disciplinary action.

ACKNOWLEDGMENT AND WAIVER

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RESPONDENT'S FAILURE TO TIMELY COMPLY WITH ANY TERM IN THIS AGREED FINAL ORDER, WHICH HAS SPECIFIC, STATED DUE DATES, SHALL RESULT IN THE AUTOMATIC REVOCATION OF PROBATION AND THE REVOCATION IMPOSED IN THIS AGREED FINAL ORDER SHALL BE EFFECTIVE ON THE EFFECTIVE DATE OF THE REVOCATION OF PROBATION.

ANY SUCH REVOCATION SHALL BE EFFECTIVE WITHOUT THE NEED FOR A HEARING OR OTHER ADMINISTRATIVE DUE PROCESS UNDER THE ACT OR THE APA, AND RESPONDENT SPECIFICALLY WAIVES ANY SUCH HEARING OR DUE PROCESS.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing, any motion for rehearing, and any right to seek judicial review of this Agreed Final Order or to bring any civil suit in state or federal court regarding the validity or enforcement of this Agreed Final Order, regardless of the claims asserted. This Agreed Final Order, the findings of fact and the conclusions of law contained in it have been fully and fairly litigated or the parties had an opportunity to so litigate. This matter has been finally adjudicated and resolved via this Agreed Final Order. This Agreed Final Order shall be treated as res judicata, precluding any re-litigation of those claims and extinguishing the right to bring suit on the matter by the parties or those in privity with them. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published on the Board's website.

I have read and reviewed this entire Agreed Final Order fully and am entering into it of my own free will to avoid the expense of litigation and to reach an expeditious resolution of the matter. I neither admit nor deny that the findings of fact and conclusions of law contained herein are correct. I understand all of my compliance obligations under this Agreed Final Order and the consequences for failing to comply with those obligations.

I understand that the Board and its staff cannot provide me with legal advice and I am aware of my right to be represented by an attorney of my own choosing. I am aware of my right to a hearing, and hereby waive a hearing and also waive any right to seek judicial review of this Agreed Final Order, including for any subsequent action resulting from my failure to timely comply with an administrative requirement of this Agreed Final Order (e.g. payment of a penalty, completion of remedial education, or failure to provide logs).

DELIVERY OF DOCUMENTS AND PAYMENTS FOR COMPLIANCE

Respondent is solely responsible for timely delivery to the Board of all documents necessary for compliance of this Agreed Final Order. Respondent shall retain documentation (reply email, fax confirmation, return receipt, etc.) confirming timely receipt by the Board of all the documents necessary for compliance of this Agreed Final Order. Respondent shall send all documents and payments necessary for compliance by: (1) email to: compliance.talcb@talcb.texas.gov; (2) fax to: (512) 936-3966, attn: Compliance; or (3) certified mail, return receipt requested, to: Standards & Enforcement Services,

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Texas Appraiser Licensing and Certification Board, Stephen F. Austin Building, 1700 N. Congress Ave., Suite 400, Austin, Texas 78701.

EXECUTION

This agreement may be executed in one or more counterparts, in form of electronic mail, facsimile, or other written expression of agreement, each of which shall be deemed an original and together shall comprise evidence of full execution of the agreement.

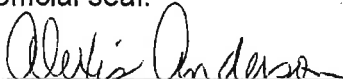
THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

RESPONDENT

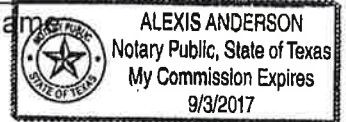
Signed this 22nd day of October, 2015.


LARRY S. JONES

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on the 22nd day of October, 2014, by LARRY S. JONES, to certify which witness my hand and official seal.


Notary Public's Signature

Alexis Anderson
Notary Public's Printed Name




RESPONDENT'S ATTORNEY

Signed and approved as to form by Respondent's Attorney this 22 day of October, 2015.


TED WHITMER, Respondent's Attorney

STANDARDS AND ENFORCEMENT SERVICES DIVISION

Signed by the Standards and Enforcement Services Division this 22nd day of October, 2015.


Troy Beaulieu, Attorney
Director, Standards and Enforcement Services Division
Texas Appraiser Licensing and Certification Board

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COMMISSIONER


Signed by the Commissioner this 23 day of Oct, 2015.



Douglas Oldmixon, Commissioner
Texas Appraiser Licensing and Certification Board

CHAIRPERSON

Approved by the Board and Signed this 20 day of November, 2015.



Jamie Wickliffe, Chairperson
Texas Appraiser Licensing and Certification Board